In SN 10 LIBYA
In PET 15-2 LIBYA

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EXCISE

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ACTION AF-13

INFO OCT-01 NEA-09 ARA-08 EUR-14 EA-11 E-11 INT-06 OEP-01
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AMEMBASSY BEIRUT
BENGHAZI 3865
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AMEMBASSY CARACAS
AMCONSUL DHAHRAN
AMEMBASSY DJAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY TUNIS
AMEMBASSY VIENNA
USEC BRUSSELS 101
US OECD PARIS UNN

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY ____ DATE 6/22/81
PORTIONS DENIED AS INDICATED

C O N F I D E N T I A L TRIPOLI 2147

SUBJ: OIL COMPANIES' CHALLENGE TO LIBYAN FOREIGN EXCHANGE RULING

REF: TRIPOLI 2136 PET 6 LIBYA PET 3 OPEC

1. SUMMARY: OIL COMPANY REPS HERE ON EVE OF IMPORTANT MEETING WITH LONDON WORKING GROUP WERE UNDECIDED ABOUT RECOMMENDATIONS THEY SHOULD MAKE TO THEIR PRINCIPALS, REGARDING INDUSTRY RESPONSE TO

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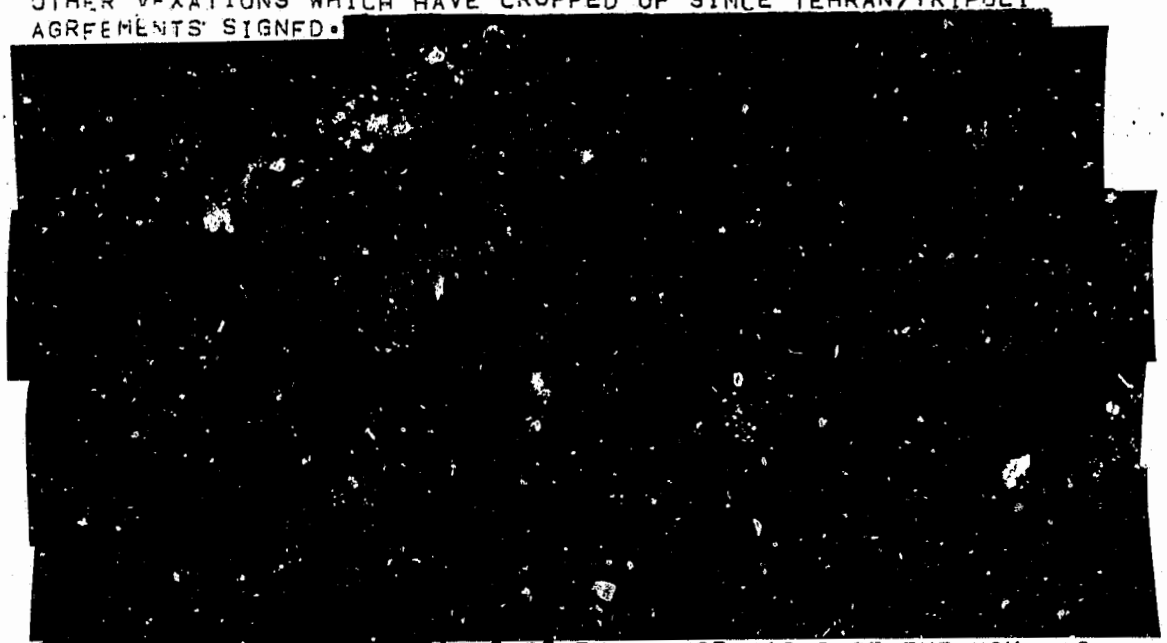
EXCHANGE COMPUTATION DISPUTE AND OTHER RELATIVELY MINOR BUT VEXATIOUS PROBLEMS WITH LARG'S MINISTRY OF PETROLEUM, MUNTASSIR, LARG UNDER SECRETARY, MINISTRY OF PETROLEUM NOW PLANS TO LEAVE FOR VIENNW NOV. 21, PRESUMABLY TO ATTEND FACT-F IDING MEETINGS THERE AS LIBYA'S OBSERVER. END SUMMARY.

2. EMPOFF MET WITH [redacted] JUST PRIOR TO THEIR DEPARTURE WITH TWO OTHER LOCAL OIL COMPANY REPS FOR LONDON WORKING GROUP MEETING SCHEDULED TO CONVENE NOV. 18 (REFTEL). B4

3. LATEST DEVELOPMENTS IN PARITY DISPUTE AND IN OTHER OIL COMPANY/LARG CONTACTS ARE AS FOLLOWS:

A) LIBYAN PRODUCING COMPANY REPS TORN BETWEEN ALTERNATIVE MODES OF REACTING TO LARG INSISTANCE ON INCREASED PAYMENTS AND TO OTHER VEXATIONS WHICH HAVE CROPPED UP SINCE TEHRAN/TRIPOLI AGREEMENTS SIGNED.



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[redacted] ONE OF THE MAJOR TASKS OF THE NOV. 18 LONDON WORKING GROUP MEETING WILL BE TO DEVELOP GREATER CONCEPTUAL CLARITY REGARDING WHICH OF THESE TWO ALTERNATIVES,

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OR EVEN OTHERS, MIGHT BEST SERVE THE INDUSTRY.

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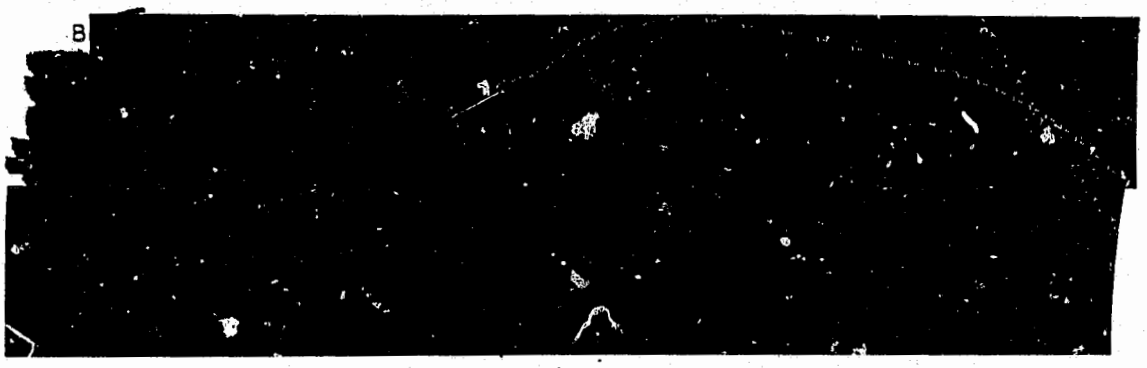

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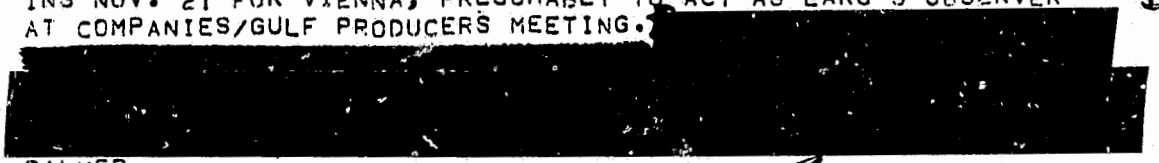
C) IN ONE FURTHER DEVELOPMENT, MUNTASSIR [redacted] DEPARTING NOV. 21 FOR VIENNA, PRESUMABLY TO ACT AS LARG'S OBSERVER AT COMPANIES/GULF PRODUCERS MEETING. B4



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